



Department of Defense



***National Security  
Personnel System***

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National Security Personnel System

## **Town Hall Brief**

March 2006

## Why NSPS?

- Advance DoD's critical national security mission
- Respond swiftly and decisively to national security threats and other missions
- Accelerate DoD's efforts to create a Total Force
- Retain and attract talented and motivated employees committed to excellence
- Compensate and reward employees based on performance and mission contribution
- Expand DoD's ability to hire more quickly and offer competitive salaries



## What is NSPS?

- Performance management system that:
  - Values performance and contribution
  - Encourages communication
  - Supports broader skill development
  - Promotes excellence
- Streamlined and more responsive hiring process
- Flexibility in assigning work
- Preservation of employee benefits, rights and protections
- Preservation of rights of employees to join a union
- Tools to shape a more effective and efficient workforce

DoD's Flexible and Responsive Civilian Personnel System

- Put mission first – support National Security goals and strategic objectives;
- Respect the individual – protect rights guaranteed by law;
- Value talent, performance, leadership and commitment to public service;
- Be flexible, understandable, credible, responsive, and executable;
- Ensure accountability at all levels;
- Balance HR interoperability with unique mission requirements; and
- Be competitive and cost effective.

- Recognizes and rewards employees based on personal contributions to mission
- Opens communication between supervisors and employees: all know expectations
- Encourages employees to take ownership of their performance and success
- Promotes broader skill development and advancement opportunities in pay bands



## Key Events and Activities

### 2003

- NSPS authorized by National Defense Authorization Act

### 2004\_

- Working groups developed human resources, labor relations and appeals options
- Conducted Focus Groups and Town Halls worldwide
- Met with labor organizations on design input

### 2005

- Published proposed and final NSPS Regulations
- Considered 58K comments received during public comment period
- Held meet and confer sessions and continued collaboration with unions
- Testified before Congress
- Conducted Train-the-Trainer sessions

### 2006

- Simplifying performance management
- Ongoing implementing issuance modifications and continuing collaboration
- Piloting training at NAVSEA Headquarters
- Court decision
- Spiral 1.1 implements Human Resources System provisions - performance management, classification, compensation, staffing and workforce shaping

- Merit System Principles
- Veterans' Preference Principles
- Whistleblower protections
- Rules against prohibited personnel practices
- Anti-discrimination laws
- Fundamental due process
- Benefit laws on retirement, health, life, etc.
- Allowances and travel/subsistence expenses
- Training

## ■ NSPS Human Resources System

- Vast majority of DoD employees eligible for coverage
  - ✓ initially applies only to selected GS/GM and Acquisition Demo employees
  - ✓ Employees in special pay/classification systems (e.g., wage grade) will be phased in later
- Certain categories excluded (e.g. intelligence personnel, Defense Labs listed in NSPS law)

Vast majority of DoD civilian employees



## Human Resources System

- **Classification** - Simple, flexible
- **Compensation** - Performance-based, market-sensitive
- **Performance management** - Linked to agency mission
- **Staffing** - The right person, in the right place, at the right time
- **Workforce Shaping** - Streamlined, mission-responsive

## Adverse Actions and Appeals

- Enjoined

## Labor Relations System

- Enjoined

- Feb 27, 2006, Judge Sullivan issued decision regarding legality of certain NSPS provisions. The Court concluded that:
  - DoD and OPM satisfied their statutory obligation to collaborate in developing the system
  - DoD lawfully had the authority to depart from Chapter 71 in establishing a new labor relations system
  - New rule fails to ensure that employees can bargain collectively
  - The National Security Labor Relations Board does not meet Congress' requirement for "independent third party review" of labor relations decisions
  - The process for appealing adverse actions fails to provide employees with "fair treatment" as required by Congress
- DoD, OPM and DOJ attorneys reviewing Court's decision

- Jobs in broad “pay bands” based on nature of work and competencies
- Progress in bands dependent on performance, complexity and/or contribution, market conditions
- Position descriptions are less detailed
- Classification appeal rights protected
- Allows flexibility to assign new or different work
- Promotes broader skill development and advancement opportunities within and across pay bands

Positions Grouped in Broad Bands

Subject to Continuing Collaboration



# Classification Architecture

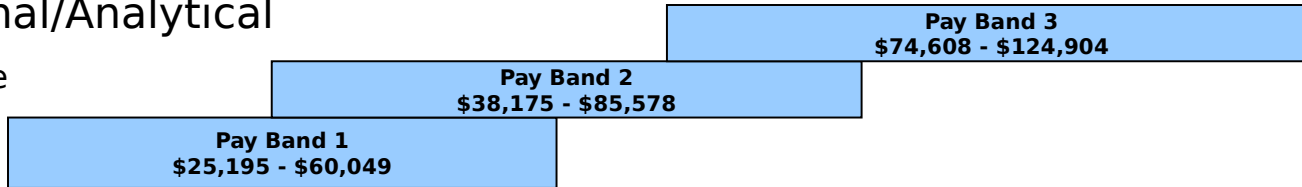
<b>STANDARD CAREER GROUP</b> <ul style="list-style-type: none"><li>● Pay Schedules<ul style="list-style-type: none"><li>✓ Professional/Analytical</li><li>✓ Tech/Support</li><li>✓ Student Employment</li><li>✓ Supervisor/Manager</li></ul></li></ul> <p>71% of DoD white collar workforce</p>	<b>INVESTIGATIVE &amp; PROTECTIVE SERVICES CAREER GROUP</b> <ul style="list-style-type: none"><li>● Pay Schedules<ul style="list-style-type: none"><li>✓ Investigative</li><li>✓ Fire Protection</li><li>✓ Police/Guard</li><li>✓ Supervisor/Manager</li></ul></li></ul> <p>6% of DoD white collar workforce</p>
<b>SCIENTIFIC &amp; ENGINEERING CAREER GROUP</b> <ul style="list-style-type: none"><li>● Pay Schedules<ul style="list-style-type: none"><li>✓ Professional</li><li>✓ Tech/Support</li><li>✓ Supervisor/Manager</li></ul></li></ul> <p>18% of DoD white collar workforce</p>	<b>MEDICAL CAREER GROUP</b> <ul style="list-style-type: none"><li>● Pay Schedules<ul style="list-style-type: none"><li>✓ Physician/Dentist</li><li>✓ Professional</li><li>✓ Tech/Support</li><li>✓ Supervisor/Manager</li></ul></li></ul> <p>5% of DoD white collar workforce</p>



# Standard Career Group

## Professional/Analytical

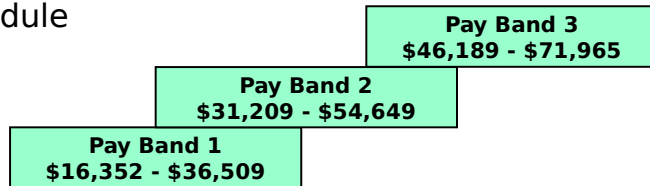
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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## Technician/Support

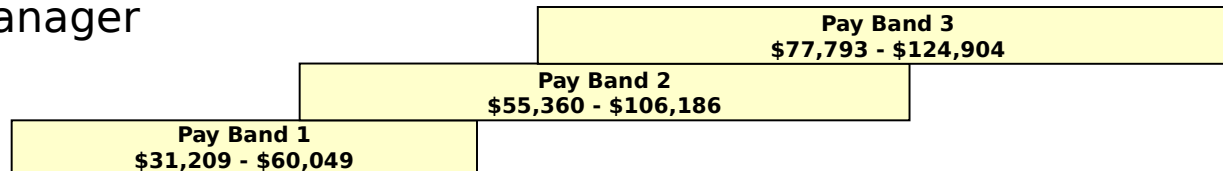
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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## Supervisor/Manager

Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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## Student

Pay Schedule



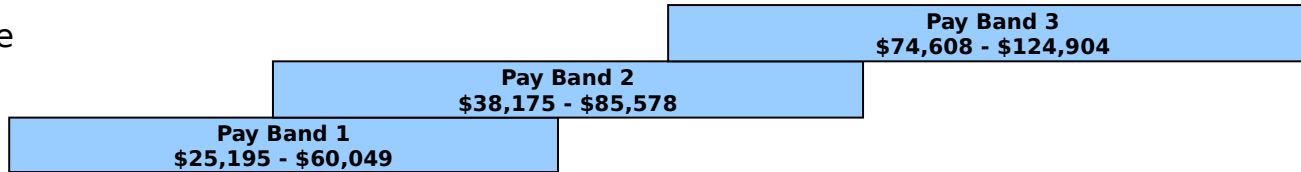
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## Scientific and Engineering Career Group

### Professional

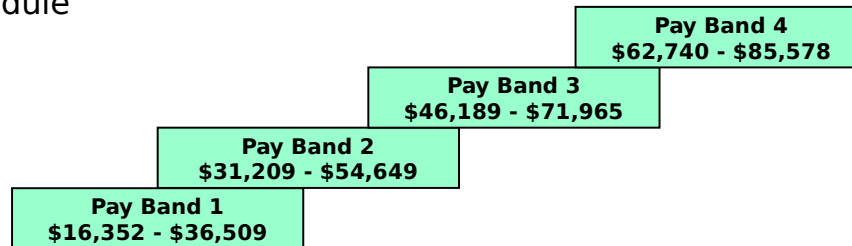
#### Pay Schedule



\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

### Technician/Support

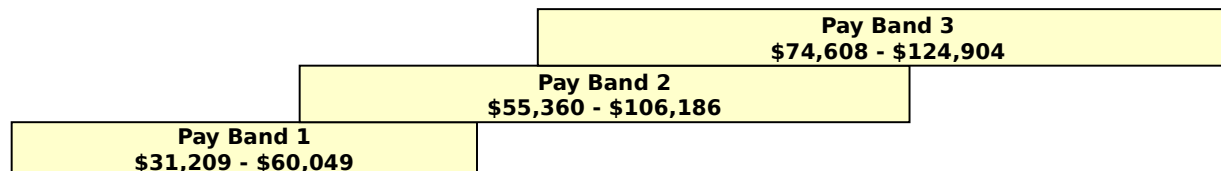
#### Pay Schedule



\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

### Supervisor/Manager

#### Pay Schedule



\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

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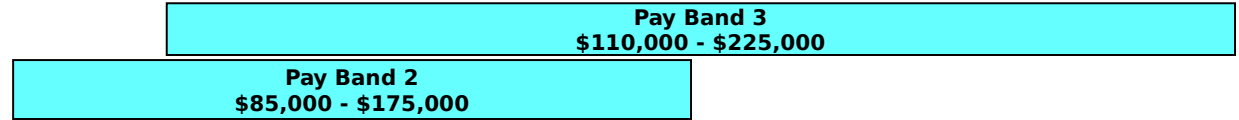
Subject to Continuing Collaboration



# Medical Career Group

## Physician/Dentist

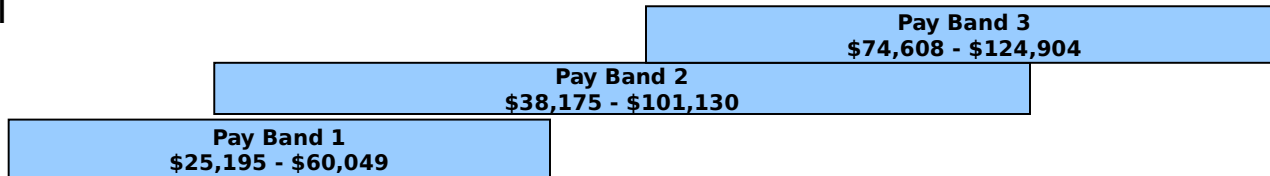
Pay Schedule



\$25,000 60,000 95,000 130,000 \$165,000 200,000 225,000

## Professional

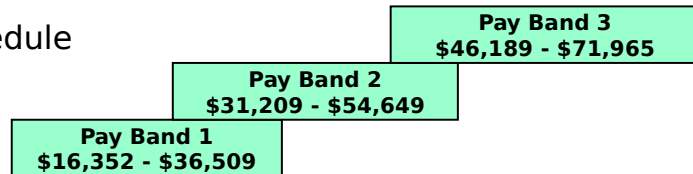
Pay Schedule



\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

## Technician/Support

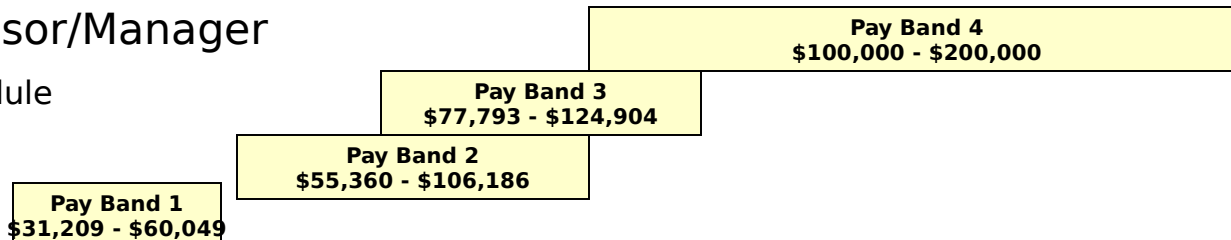
Pay Schedule



\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

## Supervisor/Manager

Pay Schedule



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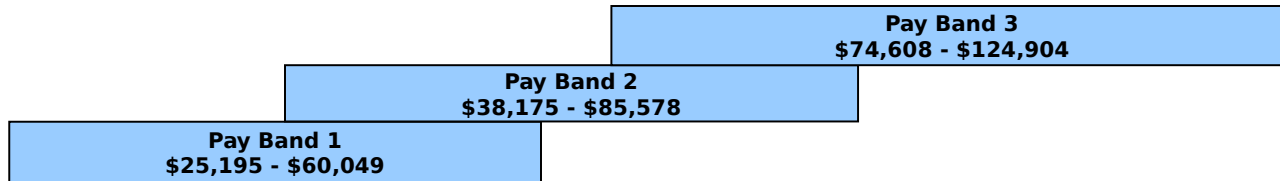
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# Investigative and Protective Services Career Group

## Investigative

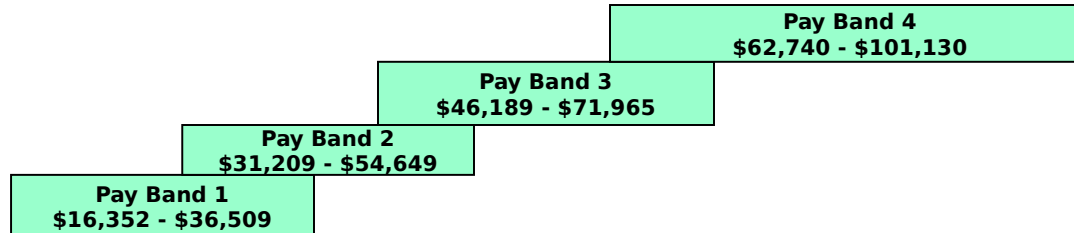
### Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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## Fire Protection

### Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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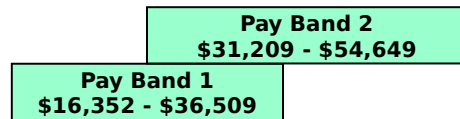




## Investigative and Protective Services Career Group (cont.)

### Police/Security Guard

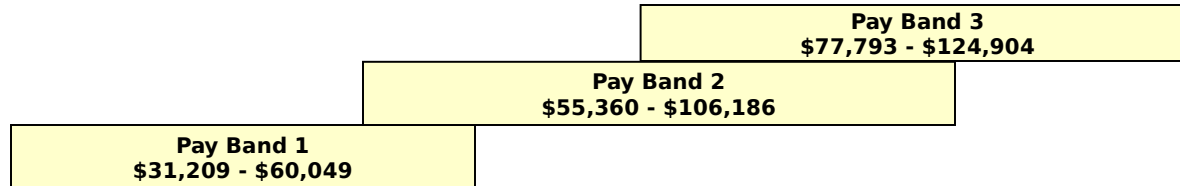
#### Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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### Supervisor/Manager

#### Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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# Compensation

## Performance-Based Pay

- Annual pay raises or bonuses based on performance
- High-performing employees can get higher pay raises
- Employees must perform at “Valued Performance” (Level 3) or higher to get any increase

## Rate Range Increases

- Nation-wide salary adjustments, may vary by pay band
- Employees must perform at “Fair” (Level 2) or higher to get any increase

## Local Market Supplement Increases

- Similar but not identical to locality pay - addition to base pay
- Based on geographic or occupation market conditions
- In given area, can differ from one occupation to another
- Employees must perform at “Fair” (Level 2) or higher to get any increase

## Other Features

- Rate ranges and local market supplements are reviewed annually
- 6% minimum salary increase for promotions
- Eligibility for salary increase for reassignment/reduction in band

Pay bands replace General Schedule

## General Schedule



+



OR



=



**Worldwide  
Base Rate**

**Special Rate Supplement**

(based on occupation/  
geographic locality)

**CONUS Locality Pay**

(all GS employees in locality  
are covered by the same percent)

**Total Pay**

## NSPS



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**Worldwide  
Base Rate**

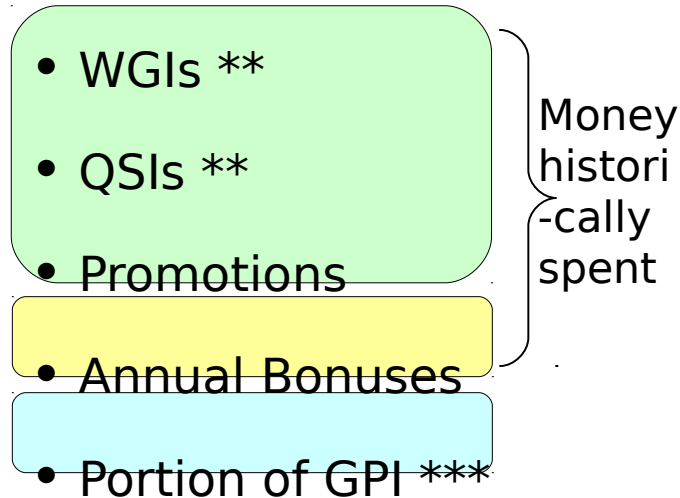
**Local Market Supplement**  
(variable by career group,  
pay schedule, occupation, and/or pay band)

**Total Pay**

## SECDEF Decisions (Outside Pay Pool)

- Rate Range Adjustments \*
- Local Market Supplement (LMS) \*

## Performance-Based Pay (Inside Pay Pool)



Element 1 2 3

## Chapter 45 Incentive Awards (Outside Scope of NSPS)

- Special Act
- On-the-Spot
- Time Off

\* Funded by annual January pay increase

\*\* Does not exist under NSPS

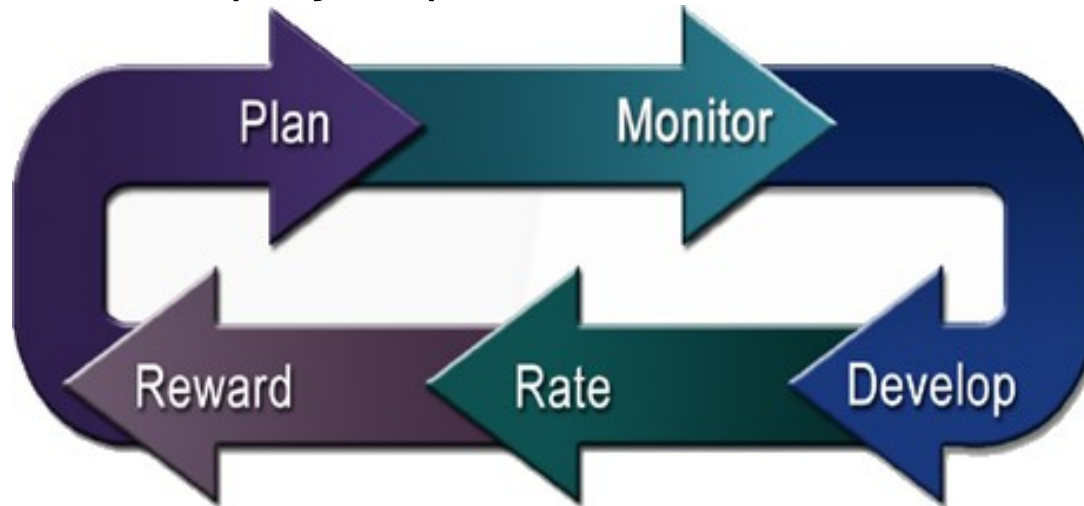
\*\*\* Portion remaining after funding Rate Range Adjustments and LMS

- Employees will not lose pay upon conversion
- Conversion based on current position of record
- Employees eligible for a within-grade increase (WGI) will receive a pro-rated increase in their salary

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## ■ NSPS Performance Management Cycle

- Plan employee performance
- Monitor employee performance
- Develop employee performance
- Rate employee performance
- Reward employee performance





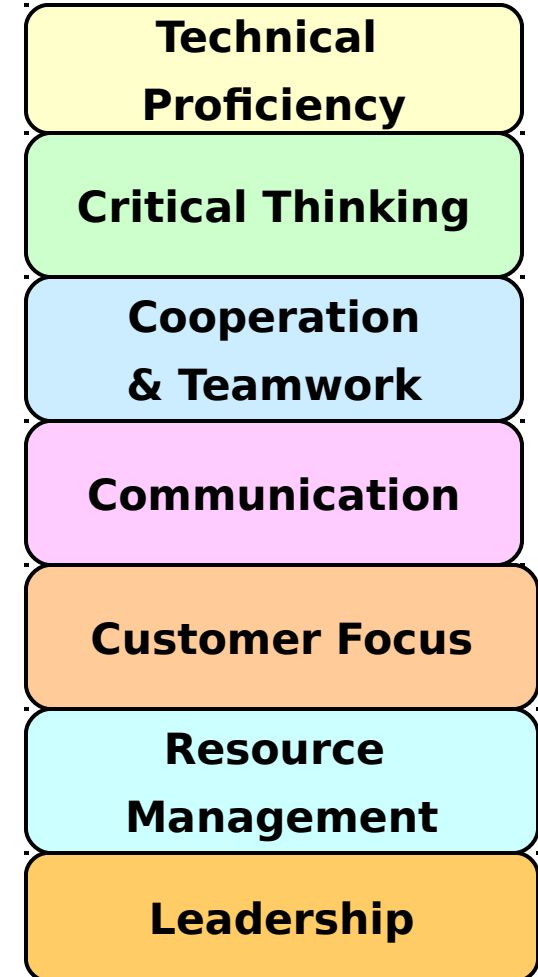
# Performance Management System

- Results-oriented, mission-focused
- Clear and understandable (fair, credible, and transparent)
- Direct link between pay and performance and mission accomplishment
- Reflect meaningful distinctions in employee performance
- Robust (capable of supporting pay decisions)
- **Job objectives** – the “**What**” – primary focus
- **Manner of performance** – the “**How**” – contributing factors that influence the objective rating
- Supervisors are rated on at least one supervisory objective

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## ■ Contributing Factors = “How”

- Selected for each objective
- Attributes of job performance that are significant to the accomplishment of individual job objectives
- Further defined by “work behaviors” and “benchmark descriptors”
- Standard across DoD
- Described at the “Expected” and “Enhanced” level



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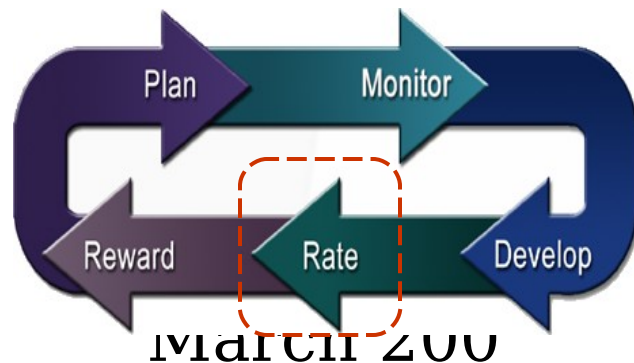
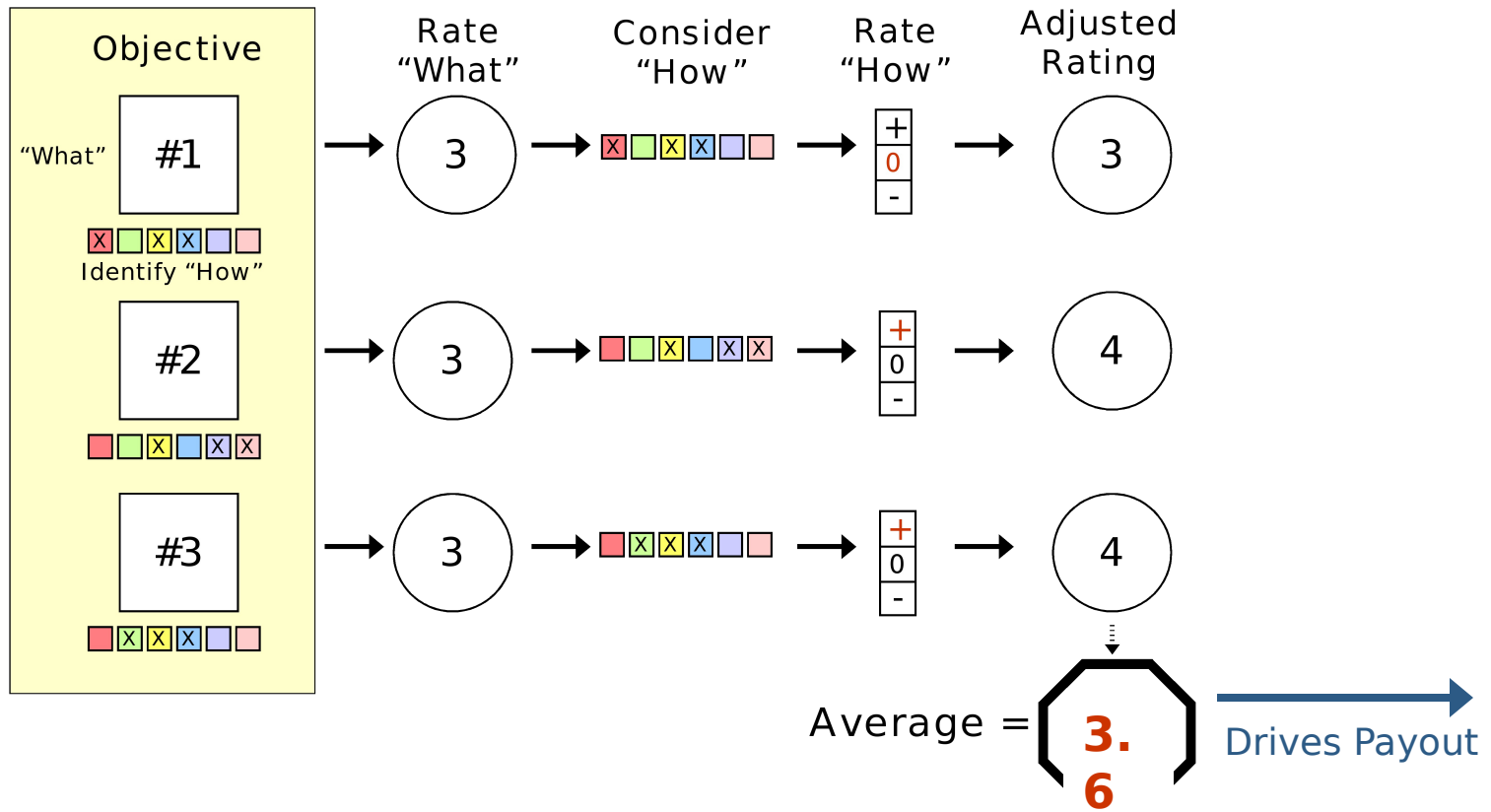


Performance is linked to mission and rated on:

- ✓ Responsibilities
- ✓ Behaviors
- ✓ Skills
- ✓ Tasks

Performance	Rating	Employees are eligible to receive.....
Role Model	5	Performance Based Pay Rate Range Adjustments Local Market Supplement Increases
Exceeds Expectations	4	
Valued Performance	3	
Fair	2	Rate Range Adjustments Local Market Supplement Increases
Unsuccessful	1	No Increases

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- DoD hiring authorities provide more flexibility to respond to mission changes
- Hiring process streamlined
- Pay setting flexibilities increase ability to retain and attract quality candidates
- DoD qualification requirements recognize unique mission
- Longer probationary periods for some occupational categories allow more time to evaluate new employees
- Veterans' preference rights protected

Streamlined promotion and hiring process

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- Streamlined, mission responsive
- Four retention factors remain, and are considered in this order:
  - Tenure
  - Veterans' Preference
  - Performance
  - Seniority
- Multiple years' performance credit for reduction in force
- Two years of retained pay for displaced employees
- Less disruptive to employees and mission

More emphasis on performance

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- Learning objectives
  - Teach skills and behaviors to implement and sustain NSPS
  - Educate employees about NSPS
- Dual focused
  - Soft Skills
  - Specialized training for all functional areas
    - ✓ Classroom sessions
    - ✓ Web based courses
    - ✓ “Fundamentals of NSPS”
    - ✓ NSPS 101 (web-based)
    - ✓ Periodic printed materials, brochures & pamphlets
- Status
  - Behavioral “soft-skills” training in process
  - Piloted NSPS functional training at Naval Sea Systems Command Headquarters (except performance management)
  - Train - the -Trainer and workforce NSPS functional training to resume in March
  - NSPS 101 training available in April

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- Employees informed of program plans and changes through:
  - Town hall briefs
  - Frequently Asked Questions lists
  - Employee Fact Sheets
  - Articles in local and base newspapers
  - DoD and Component Web Pages
  - Major conferences
  
- DoD and Component leaders will ensure discussions on program changes occur between local management and employees

- Implementing Human Resources System (HR) provisions
  1. Performance management
  2. Classification
  3. Compensation
  4. Staffing
  5. Workforce shaping
- Court enjoined
  - Adverse Actions and Appeals
  - Labor Relations System

- NSPS deployment – 5 HR provisions
  - Spiral 1.1
    - Begins April 2006 - about 11,000 employees
    - Rating cycle through October 2006
    - Performance payout in January 2007
  - Spiral 1.2
    - Begins October 2006 - Organizations TBD
    - Performance payout January 2008
  - Spiral 1.3
    - Begins January 2007 - Organizations TBD
    - Performance payout January 2008
- Spirals 2 and 3 following the certification of the performance management system
- Continuous evaluation and system improvements



### ***From 25 years of DoD Experience:***

- Everything takes longer than you think
- Communication is critical
- Train your way to success
- Evaluation assures accountability
- Transformational change must happen at every level

- A modern, flexible, and agile human resources system
  - Responsive to the national security environment
  - Preserves employee protections and benefits

*“ NSPS is a win-win-win system ...  
a win for our employees, a win for our  
military and a win for our Nation.”*

*Honorable Gordon R. England  
NSPS Senior Executive*

QUESTIONS?

[www.cpms.osd.mil/nsps](http://www.cpms.osd.mil/nsps)